



NATIONAL COUNCIL OF FARMER COOPERATIVES

May 16, 2006

Docket Clerk
Fruit & Vegetable Programs AMS, U.S.D.A.
1400 Independence Avenue, SW
Mail Stop 0243
Washington, DC 20250-0243

Re. Docket Number FV06-1290-1PR
FR Vol. 71, No. 76, pages 20353-20357

To Whom It May Concern:

The National Council of Farmer Cooperatives (NCFC) appreciates the opportunity to comment on the proposed rule regarding the Specialty Crop Block Grant program.

NCFC represents the interests of America's farmer cooperatives. There are nearly 3,000 farmer cooperatives across the U.S. whose members include a majority of our nation's more than 2 million farmers. They exist for the mutual benefit of their farmer members and provide them with increased opportunity to improve their income from the marketplace and compete more effectively in the global marketplace.

These farmer-owned businesses handle, process and market virtually every type of agricultural commodity grown and produced. Many of our members are involved in the production, processing and marketing of "specialty crops" including fruits, vegetables, nuts and other horticultural products.

In general, we are pleased that the Department of Agriculture recognizes the importance of this segment of American agriculture and is devoting resources to address its challenges. In the past, the Department wisely has chosen to purchase surplus commodities to address market abnormalities, support school lunch programs and engage in other related activities that provide benefits for both American consumers and producers.

However, we are concerned about the current proposal to give preference to "fresh" products, to the detriment of "processed" products under this program. This type of restriction appears to disregard guidance provided to, and supported by, USDA in previous studies.

A current example involves the educational material on USDA's website mypyramid.gov regarding the Food Guide Pyramid. That information details the requirements for being part of the fruit and vegetable groups of servings. Those requirements include;

"Any fruit or 100% fruit juice counts as part of the fruit group. Fruits may be fresh, canned, frozen, or dried, and may be whole, cut-up, or pureed."

"Any vegetable or 100% vegetable juice counts as a member of the vegetable group. Vegetables may be raw or cooked; fresh, frozen, canned, or dried/dehydrated; and may be whole, cut-up, or mashed."

Given that this specificity has been provided to the general public as part of USDA's educational efforts, we do not believe it is wise to move forward with a conflicting rule. Such a contradiction would undermine many of the considerable resources that USDA has expended to develop, and increase awareness of, the Food Guide Pyramid with American consumers.

Furthermore, it does not appear that this program's authorizing legislation, the Specialty Crop Competitiveness Act of 2003, mandates any distinction between fresh and processed. Such a distinction would have weakened the very purpose of that act.

Many fresh producers, and their cooperatives, produce for both the fresh and processed segments of the market due to consumer demand. However, under the proposed rule, USDA is inserting itself in that market-based process and arbitrarily selecting between the final consumer-ready forms of nutritionally-equal products. Conversely, NCFC believes that the more appropriate policy is to allow the American consumer to make those decisions.

Given the lack of legislative direction for this policy change, coupled with the equivalent nutritional values within these two segments of the market, NCFC believes it appropriate to amend the proposed rule. We believe it is an improvement, for the purposes of making decisions regarding grant awards, to eliminate all preferences between fresh and processed fruits, vegetables, nuts and related horticultural products covered under USDA guidelines for the Specialty Crop Block Grant program.

Thank you again for allowing NCFC to comment on this proposed rule. We would be pleased to provide any additional information that you may require.

Sincerely,

A handwritten signature in black ink, reading "Jean-Mari Peltier". The signature is written in a cursive, flowing style.

Jean-Mari Peltier,
President and C.E.O.

Cc: Lloyd Day – Administrator, Agricultural Marketing Service